

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Bay State Gas Company

D.T.E. 05-27

ATTORNEY GENERAL'S SECOND SET OF
DOCUMENT AND INFORMATION REQUESTS

- AG-9-1 Please recalculate the weather normalization adjustments (volumes and revenues) based on base use (average July and August) and weather sensitive use for all classes. Compare the results of this technique to that presented by the Company in Schedules JAF-1-5 and 1-6. Provide all supporting workpapers, calculations, input data and assumptions in both hard copy and electronically as working spreadsheet models.
- AG-9-2 Please recalculate the Company's proposed rates for each class based on bill determinants that reflect the weather normalization computations produced in response to the immediately preceding request. Include the Company's assessment of the differences between these rates and the proposed and whether it would be appropriate to have the allocated accounting costs of service re-run to incorporate the affects of this weather normalization.
- AG-9-3 Refer to Exhibit BSG/JAF-1, p. 3-174, lines 8-11. Please explain more fully how the accounting data was adjusted to eliminate errors. Provide a schedule showing class by class the accounting records revenue and bill determinants(including block breakdowns) for the test year and the adjustments made to eliminate billing adjustments and errors. Explain the basis for all adjustments to accounting data.
- AG-9-4 Refer to Exhibit BSG/JAF-1, p. 3-177. Please provide a monthly comparison of SSI data and the Meteorlogix for the 20 year period for which the Company has the data. Include copies (paper and working electronic spreadsheet models) of the original data and any calculations performed on the data supplied by the vendors.

- AG-9-5 Does the Company's CIS individual customer block billing data? Please provide a schedule showing for each class the actual test year billed volumes and numbers of customers on a month by month basis. Provide an electronic spreadsheet and a hard copy response.
- AG-9-6 Refer to Exhibit BSG/JAF-1, p. 3-175. Please provide all analysis that supports the use of the weather conditions data specified for each of the Company's divisions.
- AG-9-7 Refer to Exhibit BSG/JAF-1, p. 3-183, lines 16-17. Please provide the "calendar year physical flow volumes" and the "unadjusted customer counts" that the testimony indicates are in Column 1 Schedule JAF-1-1.
- AG-9-8 Please provide an analysis of the GAF revenue per book compared to the GAF revenue that results from a calculation of monthly billed quantities by class times the applicable GAF rate. Include a working spreadsheet model supporting the comparative analysis.
- AG-9-9 Please provide an analysis of the DAF revenue per book compared to the DAF revenue that results from a calculation of monthly billed quantities by class times the applicable GAF rate. Include a working spreadsheet model supporting the comparative analysis.
- AG-9-10 Please provide an analysis of the Indirect GAF revenue per book compared to the Indirect GAF revenue that results from a calculation of monthly billed quantities by class times the applicable GAF rate. Include a working spreadsheet model supporting the comparative analysis.
- AG-9-11 Please provide the following data for the past 10 years:
- a. number of accounts reactivated-regular hours
 - b. number of accounts reactivated-after business hours
 - c. number of warrants issued by town
 - d. number of meters tested by customer class
 - e. number and cost of locksmith service calls
- AG-9-12 Refer to Exhibit BSG/JAF-2, p. 3-266, lines 8-14. Please explain what other methods of allocating the residual rate increase were considered and rejected. Provide all analyses of the alternatives. Include working spreadsheet models of the analyses.
- AG-9-13 Refer to Schedule JAF-2-7. Please provide bill impact analyses for R-4 and

R-2 classes and for each of the special contract customers.

- AG-9-14 Please redesign the rates for R-4 and R-2 based on a 40% discount in the base portion of these bills and the impact this design would have on the other classes' rates. Provide all supporting workpapers, calculations and assumptions. Included working spreadsheet models supporting this response.
- AG-9-15 Refer to Schedule JAF-2-6. Please expand the data to include the number of bills corresponding to the "% of Bills," provide the rates for each bill component that was used to generate the data in each of the "Current Bill" and "Proposed Bill" columns and provide the cumulative number of therms and the corresponding % of total class therms. Include working spreadsheet models that include these data.
- AG-9-16 Refer to Exhibit BSG/JAF-2, p. 3-271, line 15- p. 3-272, line 2. Please redesign rates with a "multiplier" of 1.00. Provide all workpapers, calculations and assumptions and working spreadsheet models.
- AG-9-17 Please redesign all the proposed residential rates to have a flat, seasonally differentiated volumetric rate. Describe how these rates were developed. Provide all workpapers, calculations and assumptions. Include bill impact analyses (Schedule JAF 2-7) and working spreadsheet models.
- AG-9-18 Please redesign all the proposed residential rates to have a flat volumetric rate. Describe how these rates were developed. Provide all workpapers, calculations and assumptions. Include bill impact analyses (Schedule JAF 2-7) and working spreadsheet models.
- AG-9-19 Please provide the documentation supporting the claim that all special contracts' rates exceed the marginal cost of service. Provide all workpapers, calculations and assumptions. Include a schedule for each special contract that compares estimated rate year revenues under the pricing provisions of the special contract to the revenues that each customer would generate if taking service under the Company's proposed tariffs. Include all workpapers, calculations and assumptions. Provide working spreadsheet models that support the Company's response.
- AG-9-20 Refer to Exhibit BSG/JAF-2, p. 3-284, lines 20-25. Please explain how the Company proposes to calculate the therm adjustment for energy efficiency programs. Include an example using energy efficiency programs implemented during the test year.

- AG-9-21 Refer to Exhibit BSG/JAF-2, Schedule JAF-2-9, Column (G). Please explain why an energy efficiency adjustment is a calculated percentage and not shown as therm value for each class and billing block?
- AG-9-22 Refer to Schedule JAF-2-8, p. 3-341. According to the Company's proposed tariff, the ABRAM applies to firm sales and firm transportation Rate Schedules. Does that include special contract customers? If yes, has the Company notified all special contract customers of the proposed changes? Please provide copies of all such notices. If the Company does not intend to apply ABRAM to its special contract customers, please explain why.
- AG-9-23 According to witness' testimony the SIR adjustment mechanism is designed to recover cost increases net of associated O&M expense decreases. Please explain how the ABRAM will not inflate the O&M costs component of rates that represent costs that are reduced over time as part of the SIR program. Include an example of how the mechanism functions to assure such inflation will not occur. Include all workpapers, calculations and assumptions.
- AG-9-24 Is the SIR Base Rate adjustment (Exhibit BSG/JAF-2, Schedule JAF-2-9, Column (C)) a cumulative amount?
- AG-9-25 Please explain why the therm billing determinant appearing in Schedule JAF-2-9 are different from those in Schedule JAF-2-10. See R-3 head and tail block volumes. Should these be the same determinants? If not, why? See Exhibit BSG/JAF-2, p. 3-292, line23 through p. 3-293, line2.
- AG-9-26 Refer to Exhibit BSG/JAF-3, pp. 3-371-372. If the proposed dual fuel tariff provision had been in effect during the test year and the 2 prior years (2004, 2003 and 2002) what would these customers' revenues (based on current rates) have been compared to actual? Include all supporting documentation, workpapers, calculations and assumptions. Provide actual monthly bill determinants for each dual fueled customer and identify each customer's class. Mask the identities of the customers.
- AG-9-27 Based on the response to the preceding request, what is the estimated annual revenue increase (based on the proposed rates) that can be attributed to the proposed dual fuel tariff provisions compared to the revenue without the proposed dual fuel provisions? Include all supporting documentation, workpapers, calculations and assumptions.
- AG-9-28 Please survey the other Massachusetts LDCs to determine what their tariff

provisions and practices are regarding service to dual fuel customers. Provide a summary that includes the Company's proposal. Indicate whether there are alternative fuel inventory requirements, and whether dual fuel customers must prove they are able to actually burn the alternative fuel as needed.

- AG-9-29 Refer to Exhibit BSG/JAF-3, pp. 3-373-374. If the proposed interruptible tariff provisions had been in effect during the test year and the prior 2 years (2004, 2003 and 2002), what would these customers' revenues have been? Include all supporting documentation, workpapers, calculations and assumptions. Provide actual monthly bill determinants for each interruptible customer and identify the customer's class each customer would be in if not interruptible. Mask the identities of the customers.
- AG-9-30 Please provide the monthly test year revenue for each interruptible customer had each customer been served under the appropriate firm tariff. Please mask the identity of each customer, but identify each in a manner consistent with the identifiers used in the above response. Include all supporting documentation, workpapers, calculations and assumptions.
- AG-9-31 It appears that the Company has not treated interruptible service as a separate class in its fully allocated cost of service study. Please explain why. If the Department were to order that costs be allocated to these customers what different allocations would the Company use in a study that included an interruptible class and why would these be appropriate?
- AG-9-32 Please survey the other Massachusetts LDCs to determine what their tariff provisions and practices are regarding interruptible service. Provide a summary that includes the Company's proposal. Indicate whether there are requirements that interruptible customers must be dual fueled, and if so, alternative fuel inventory requirements, and whether dual fuel customers must prove they are able to actually burn the alternative fuel during periods of mandatory interruption.
- AG-9-33 Refer to Exhibit BSG/JAF-3, p. 3-377. What is the Company's current policy regarding providing new service to customers with arrearage in another location?
- AG-9-34 What are the new service connection to customers with arrearage policies of other Massachusetts LDCs? Are "Cromwell Waivers" required?
- AG-9-35 Refer to the Company's proposed tariff M.D.T.E 34, Appendix B. Provide a

list of fees charged by other Massachusetts LDCs for the same categories Bay State does.

- AG-9-36 What is the basis for the Company's continuing to use a class differentiated CGA such as the proposed SMBA? What specific benefits have been achieved for customers and for the Company compared to an average cost based CGA?
- AG-9-37 Please discuss any problems the Company has encountered with the implementation of the current MBA based CGA--specifically address the under-collection issue that arose this past year (related to an under-collection of the Peak 2003/04 CGA) and explain the basis for problem, quantify the magnitude of the error and how it was resolved. Refer to March 16, 2005 letter from Stephen H. Bryant to Department.
- AG-9-38 Please provide all audit reports and related documents associated with audits or reviews conducted by Bay State personnel, outside auditors or consultants or by NCSC of the Company's CGA, LDAF or any component of these reconciling adjustment mechanisms that have been conducted during the past 5 years (2000-present).
- AG-9-39 Please describe all claims and disputes between the Company and any gas suppliers, gas transporters (pipeline or trucker) and gas storage providers that are occurred during and after the test year. Provide the estimated dollar amounts for each claim/dispute and the current status of each dispute.
- AG-9-40 Refer to Schedule JAF-1-1. Please explain why the revenues for "Transportation of Gas" on lines 6 and 7 are not included in lines 2 and 3.
- AG-9-41 Refer to Schedule JAF-1-1. Please explain what lines 15 and 16 are and why the corresponding data in Column 7 appears not to be derived from the data in the previous columns. Explain how the data appearing on lines 15 and 16 in each of the columns were calculated and what each represents.
- AG-9-42 Refer to Schedule JAF-1-1. Please explain why there are no "Off System Sales" revenues in column 7. If the Company has notified all previous "Off System" sales customers that it will not be making such sales in the future, please provide copies of these notices. If the Company could continue to make such sales, please explain under what conditions would it do so.
- AG-9-43 Refer to Schedule JAF-1-1. Please provide fee schedules, number of

customers/contracts by type and monthly billings and associated bill determinants supporting the revenues on lines 8 through 11.

- AG-9-44 Refer to Schedule JAF-1-1. Does the Company Plan to increase any of the fees for the services listed on lines 8-11 during the rate year? If yes, provide the new fees for each service element. Calculate the annualized effect of these changes based on the test year bill determinants. Provide all supporting workpapers, calculations and assumptions.
- AG-9-45 Refer to Schedule JAF-1-1. Have any of the fees for the services listed on lines 8-11 changed since the beginning of the test year? If yes, provide the new fees for each service element and the date the change became effective. Calculate the annualized effect of these changes based on the test year bill determinants. Provide all supporting workpapers, calculations and assumptions.
- AG-9-46 Refer to Schedule JAF-1-1, lines 8-11. Since the beginning of the test year has the Company introduced any new services? If yes, please describe these services, provide the fees for each of the new services and provide the number of customers receiving the services currently. Include a calculation of the annual revenue increase due to these new services. Provide all supporting workpapers, calculations and assumptions.
- AG-9-47 Refer to Schedule JAF-1-1, lines 8-11. Is the Company planning to offer new services in any of these categories? If yes, please describe these services, provide the fees for each of the new services and provide the number of customers receiving the services currently. Include a calculation of the annual revenue increase due to these new services. Provide all supporting workpapers, calculations and assumptions.
- AG-9-48 Did the Company perform an analysis to check the theoretical consistency of the marginal cost model being used? If so, explain the results of the analysis and provide cites to relevant workpapers and schedules.
- AG-9-49 Please provide all workpapers, calculations and assumptions used by the Company to compute both (1) throughput and (2) the total number of customers for use as an explanatory variable in its regression analysis.
- AG-9-50 Please provide all workpapers, calculations and assumptions as necessary to explain the difference between the number of customers identified on Schedule JLF-3-6 pages 1 of 5 and 3 of 5 (283,032), as compared to Schedule JLF -

3-6 pages 2 of 5 and 4 of 5(282,983).

- AG-9-51 As per DTE 03-40, please identify the marginal cost of all the expense categories including the marginal distribution plant cost, distribution capacity cost, capacity-related production expenses, capacity-related transmission and distribution expenses, customer-related operating expenses, customer-related accounting expenses, administrative and general loading factors, and miscellaneous loading factors. Provide cites to relative workpapers and schedules.
- AG-9-52 Please provide copies of all special contracts that are currently in force, copies of the original contracts with each special contract customer and copies of all amendments to these contracts. Provide a code for each special contract that corresponds to the data provided in the following request response.
- AG-9-53 For each of the Company's current Special Contracts provide for the test year the monthly billings, the corresponding bill determinants. Include the calculations of the test year revenue that would have been generated by each of these customers had they been on the tariffed rate they qualified for. Identify each customer by the code assigned in the response to the previous request. Provide all supporting workpapers, calculations and assumptions.
- AG-9-54 Is Company in the process of negotiating any new Special Contracts? If yes, please describe the type of contract and the estimated volumes to be delivered and the revenue to be generated. Provide an economic analysis of the contract including the revenues that would be generated by this customer if it were on a tariffed rate. Include all supporting workpapers, calculations and assumptions.
- AG-9-55 Has the Company, or any affiliate for the Company's benefit, considered outsourcing any of the functions performed by Company employees during the 2004 test year? Explain in complete detail the Company's outsourcing plans and quantify the expected savings to the Company by account. Include in this response all cost / benefit analyses of the outsourcing plans, any reports or memorandums discussing outsourcing, and any RFPs issued for outsourcing and the responses to these RFPs. Identify by company name, address, phone number and principal contact any firms that the Company will use, or is considering, for outsourcing.

Date: May 24, 2005

